

THE WASHINGTON HERALD

REAL ESTATE AND BUILDING SECTION

Third Part:
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WASHINGTON, D. C., SUNDAY, MARCH 14, 1909.

MARKET RECOVERS FROM INAUGURATION

Real Estate Sales Reported
During the Week.

BUILDING GOES MERRILY ON

New York Concern Takes Up Development of Means Tract North of Brooklyn—Will Erect New Style of House—Business Property in F Street Changes Hands.

Real estate last week suffered a little from the effects of inauguration and the storm which accompanied that event. However, as the days pass things began to brighten up a bit, and in the last three days of the week some pretty good sales were reported. Building operations, interrupted by the storm, are under way again, and some new structures have been started.

Agents and companies interested in the suburban subdivisions are laying their plans for an active spring campaign, which will begin very soon. Among the most interesting of these operations is that recently started by the Washington Suburban Development Company. This company is made up of New York capitalists, and represents one of the new concerns which have come to Washington to embark in the real estate business.

Acquires Means Farm.

This company has acquired by purchase the Katherine Means farm, north of Brooklyn. The tract consists of forty-five acres, and is yet agricultural land, the purchase having been completed within the past few days. The tract is surrounded by Michigan avenue, Sargent road, Bates road or Varnum street, and a line running in a northwest direction from the intersection of Michigan avenue and Randolph street to a point near the intersection of Twelfth and Varnum streets. This tract will be subdivided, the intersecting streets cut through, and the lots laid off for sale and building purposes.

The company expects to erect on alternate lots over the entire subdivision a type of house which will sell for about \$4,000, built of brick and finished in true modern style. The houses have been built in great numbers in suburban New York, and the plans have been thoroughly worked out by actual experience. The houses will be two stories, will have eight rooms, and will be larger and more attractive than many of the small houses of this class going up in Washington. The officers of the company are: Lewis C. Boehm, president; M. R. Bennett, treasurer; John R. Kerr, secretary; Lieut. John H. Blackburn, C. S. N. G. J. Hermann, general manager.

F Street Property Sold.

Stone & Fairfax have sold the business property at 627 F street northwest, a few doors east of Seventh street. This property has a frontage of nearly 50 feet, with a depth of 120 feet to a public alley. The present improvements consist of an old brick dwelling of substantial construction, which was erected about twenty-five years ago. The purchaser contemplates some extensive alterations and additions to the building, so as to convert it into stores on the grade floor and offices above. The property was valued at \$15,000 in the transaction.

There has been more activity in the sale of property in this block in the last two or three years than in any other square on F street. It is estimated that the Union States National bank, which has considerable influence on the values in that section. For many years buildings in this square were used for office purposes, but in the last two or three years they are being rapidly converted so as to be utilized for commercial use.

Houses Bring \$9,500.

Willett & Reinecke Company report the sale of two houses at 1937 and 1937 1/2 Eleventh street northwest for Mrs. Anna E. W. Coulter to Mrs. Elizabeth H. Lloyd. The purchaser will hold these properties as an investment.

They also report the sale of premises at 108 Fifteenth street southeast to Emma Schulmeyer, the purchaser intending to occupy it as her home. The house is of the colonial type, containing six rooms and bath, hot-water heat, tiled bath.

The sales aggregate \$1,500.

Thomas J. Fisher & Co. have closed the sales with a local business man for one of the new houses that are in course of construction at Seventeenth and Lamont streets. Kennedy and Davis Company are the builders, and H. H. Cassidy is the purchaser, who intends to occupy the house when completed, about June 1. The house is twenty-five feet front, is situated on the corner of a fifteen-foot alley, and contains ten large rooms, three bath rooms, will be very handsomely furnished in oak, and have hardwood floors. The decorations and fixtures will be the best. House will be heated by hot water and lighted by electricity. It is understood the consideration is \$12,000.

Fisher & Co. also report the sale of property at 105 Sixth street, adjoining the corner of New York avenue, for the Redlake estate, to O. W. Stratton. The lot is twenty-four feet two and one-half inches front, running through to New York avenue. The house is a three-story red brick containing nine rooms and bath. Purchase price, \$4,500, and will be held as an investment.

House Brings \$9,000.

Willie, Gibbs & Daniel have sold for Ernest A. Thompson the three-story brick dwelling 125 Twenty-first street, between S and T streets northwest. The house has a red pressed brick, bay window front, and has twelve large rooms and porcelain bath, with nickled plumbing, and is heated by steam. It has a frontage of twenty-one feet by a depth of 115 feet to a thirty-foot alley. It is understood that \$3,000 was paid for the property, which will be held by George A. Eberhart as an investment.

Building operations on quite an extensive scale will be started soon in the vacant space east of Lincoln Park and fronting on East Capitol and Thirtieth streets. This land, which has been in the hands of the government for many years, is at last to be occupied with structures of considerable value.

At the corner of the streets named an apartment house will be erected for William Murphy at an estimated cost of \$20,000. Adjoining it three houses will be constructed for Mr. Murphy to cost also \$20,000. The apartment house will be four stories high, of brick, and fitted up

TRAFFIC STORY DENIED.

Reading and Western Maryland Do Not Reach Agreement.

Baltimore, March 13.—A statement is made in a dispatch from Reading, Pa., indicating that a traffic agreement had recently been entered into between the Philadelphia and Reading Railway Company and the Western Maryland Railroad Company.

An official of the latter company says the only agreement of this kind in existence of which he has any knowledge has been in effect ever since the Shippensburg branch of the Western Maryland was built, which was at least twenty years ago. Through this branch the Western Maryland has a physical connection with the Reading.

It is officially stated that there has been no development recently in the whole Western Maryland situation and that no new steps have been taken looking toward a reorganization of the company. This matter will be held in abeyance pending the decision of the Supreme Court of the United States on the legality of the commodity clause of the Hepburn act.

RAISES STATE RIGHT

Federal Inheritance Tax May Breed Much Trouble.

SCENTS ECONOMIC DANGER

Wall Street Journal Suggests that When Commonwealth Gets Through Little Is Left to the Nation—Thinks Oliver Bill Would Drive Capital from the Empire State.

The Wall Street Journal takes a pessimistic view of the proposed inheritance tax. Its editors think a State's rights question will be raised, difficult to dispose of. On the general subject the Journal says:

A very delicate question of States' rights is raised by the proposal of the new President to impose a Federal inheritance tax. It must be confessed that after California and Idaho have taxed large estates bequeathed to distant relatives at 15 per cent, and Iowa at 20 per cent, anything further imposed by the Federal government would look like confiscation. Even now there is a collateral inheritance tax in New York State of 5 per cent.

The Albany Proposition.

Probably no one will take seriously the graduated inheritance tax introduced by Assemblyman Oliver at Albany. Although he is the leader of his party in the lower house, the measure could not pass without the consent of the Republican leaders, who have probably plans of their own and are likely to consider also the feelings of Washington in the matter. Apart from this, the Oliver bill contains some manifest impossibilities, of which a tax of 25 per cent on gifts made at any time during the five years preceding the death of the deceased is perhaps the most absurd. The recovery of buttermilk from a dog's throat is easy by comparison.

There is no question of the right of the States to impose inheritance taxes, and the custom all over the world is one of considerable antiquity. Up to a comparatively recent date in Great Britain real estate escaped, largely because the most important part of it was in the hands of members of the House of Lords, who naturally looked at the proposition from their own point of view. But heavy death duties, in fact, have only developed within recent times, and especially those imposing a graduated rate according to the size of the deceased estate.

Taken from him and the whole proceeds in fact, so modern that the world has not yet secured sufficient experience of their operation to see their most serious economic danger. It has been pointed out elsewhere that the tax is collected from national capital, and is spent upon current expenses. In England three deaths in a family in quick succession would necessarily mortgage an estate to an extent which would leave the fourth heir permanently crippled.

Would Justify Court Interference.

To impose such a burden in order to spend the proceeds upon old age pensions would, if it were paralleled by one of our public corporations, justify interference by the courts to protect the stockholders. The virtual life tenant of the real estate is compelled to mortgage it in order to pay the tax. His floating capital is taken from him and the whole proceeds are turned into real estate. Even if the proceeds are used to eat up the seed corn. There would be something to be said for the tax if its proceeds were devoted to reducing national debt or for legitimate national capital expenditure, but a very few years is likely to show the states of Europe that the higher the tax is raised the less can be collected from it. Taxable capital simply moves elsewhere. If it is in a liquid form, and the inducement to improve property which cannot get away is seriously reduced.

In the State of New York certainly any such ratio as that proposed in the Oliver bill would have the effect of driving all the capital out of the State which could possibly be removed. The best argument for it is that it is a liquid form, and that it can be easily collected. Even this may be disputed, but the immorality of such an excuse does not seem to strike the friends of inheritance taxation.

CONSUME LESS BEER.

German Breweries Depressed by Reduced Consumption in Empire.

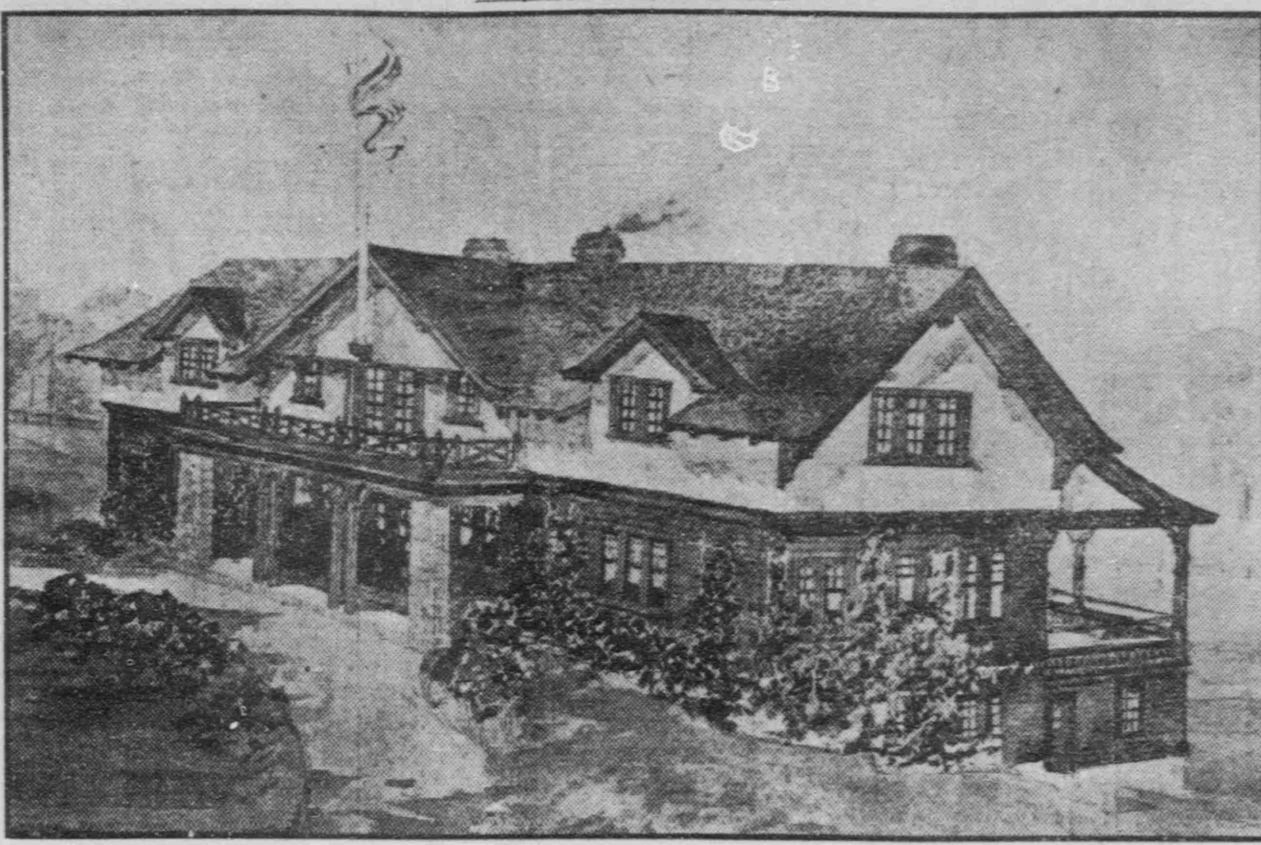
It appears from the published statement concerning business operations during the last year, the breweries of Frankfurt and of Germany in general did not work very profitably. Lessened sales, owing to the existing business depression, unfavorable weather during the summer season, increased taxes, and high prices of raw materials are stated as having caused the decline in earnings. One Frankfurt company has declared only 4 1/2 per cent dividend on its stock, against 8 per cent last year.

Not a few of the German brewing companies have, in order to increase sales, purchased high-priced properties and equipped luxurious barrooms, which are extensively carried on by independent tavern keepers, but the latter, in reality, have no capital and are but business agents of the brewery whose beer they are by contract bound to sell.

The outlook of the brewing industry in Germany is not bright just now.

A London medical authority gives the credit for the decrease in the death rate of that city, to the fumes of gasoline from automobiles, which he says are anti-septic and act as a health tonic.

PROPOSED HOME OF WASHINGTON COUNTRY CLUB.



Will be erected on grounds near Jewel Station, Va., on line of Old Dominion Electric Railroad. Design by Harding & Upman, Architects.

HARRIMAN HIMSELF AGAIN.

Recovers Health and Starts on Inspection of Railway Properties.

E. H. Harriman, who went to Texas to recuperate has recovered his health and has started on a tour of his railroad properties in Mexico and on the Pacific coast. Several of his lieutenants have started for San Francisco to meet their chief and talk over business with him.

Among those who are on their way to the Pacific coast is J. T. Harahan, president of the Illinois Central system. Mr. Harahan accompanied Mr. Harriman on the trip South as far as San Antonio, and did most of the talking for the "Wizard of Finance." It will be recalled that Mr. Harahan said that while he was not positive that Mr. Harriman desired to extend his railroad interests in the South at this time, he knew the latter was very favorably impressed with the railroad possibilities of the section.

Mr. Harriman has been credited with designs on various lines in "Dixie," but thus far nothing substantial has developed in the way of deals. If Mr. Harahan is willing to exchange his dollars for railroad propositions in the South, he no doubt will find the owners of such enterprises receptive.

WARFIELD ABANDONS MO. P.

Baltimore Capitalist Out of the Gould Board.

Robert M. Galloway, of Memphis, Succeeds Him in the Company Directorate.

Baltimore, March 13.—S. Davies Warfield, of Baltimore, has retired from the board of directors and the executive committee of the Missouri Pacific Railway. Mr. Warfield presented his resignation from the board of the company, which was accepted by the board. Mr. Warfield, who was elected to the board in 1907, was one of the most prominent capitalists in Baltimore. He was also a member of the executive committee of the company. The vacancy on the board will be filled by the directors when they meet to reorganize.

There is no significance attached to Mr. Warfield's retirement. His relations with Mr. Gould, who is the controlling factor of the Missouri Pacific, as he is in other Gould properties, are as cordial as ever, but, owing to pressure of other business, he found he could not devote the time to the positions. Mr. Warfield is a member of the Southern Air Line and Atlanta and Birmingham Railways, president of the Continental Trust Company, chairman of the boards of the Consolidated Gas, Electric Light, and Power Company, and of the Consolidated Cotton Duck Company, besides serving on the boards of various other corporations.

The retirement of Mr. Fish from the Missouri Pacific board, however, is considered significant, and in some well-informed quarters is taken to mean that E. H. Harriman is rapidly strengthening his hold on all Gould railroads. Messrs. Fish and Harriman, once warm friends, are now bitter enemies. Their membership on the board of the Illinois Central Railroad, which ended in Mr. Fish being ousted from the presidency and control passing to Mr. Harriman and his friends, is still fresh in the public mind.

There is a growing belief that Harriman influence will dominate the reorganization of the Western Maryland Railroad, as it will the Wheeling and Lake Erie and other systems centering at Pittsburgh, which are now classed in the Gould group. Kingdon Gould is about twenty-two years old, and is believed to be the youngest director of an important railroad in the world.

BUSINESS PROPERTY SOLD.

J. H. Magruder Acquires Old Emerson Institute for an Investment.

The old Emerson Institute property, 314 Fourteenth street northwest, has again been sold at an advance figure, the purchaser being John H. Magruder, the well-known business man. The property is valued at \$55,000, by Mr. Magruder, and he will hold it for investment. The considerable growth of business in this neighborhood recently has made a large advance in values, this particular place having been sold twice within a year or so at an advance price each time. The sale was made by the Charles Early Company for Mr. R. Golden Donaldson.

Light Vehicles Wanted in France.

A special inquiry has been received at the office of an American consular officer in France from a local business concern, inquiring for the names of American houses exporting light vehicles of the "Spider" type. The firm states that it has an important trade in these vehicles with Morocco.

PENNSY ORDERS COKE CARS

Loads Dumped by New Device in Fifteen Minutes.

Old-fashioned Racks Abandoned, New Cars Being Forty-two Feet in Length.

In an effort to provide shippers of coke with an improved car, which can be loaded and unloaded in the shortest possible time, the Pennsylvania lines west of Pittsburgh have specified that of the recent order for 2,500 new cars, 1,000 should be all-steel cars of new design and of greater capacity than any coke cars hitherto built for regular service.

The main novelty in these cars will consist of four hoppers, with eight openings in the bottom of the car, making the car practically self-dumping. With the doors all open, there will be an open area of 84 square feet. This will greatly facilitate unloading. It has been found that three somewhat smaller cars could be unloaded by three men in fifteen minutes from the time they were placed on the trestle. From the time the drop doors were opened until the coke ran out of the car required one minute and forty-five seconds. The four-hopper car is expected to do even better.

To facilitate loading, it is planned that the old-fashioned coke racks shall be left off these cars, and the sides of the cars will not be as high as in previous designs. This loss is repaid in the greater length—42 feet—of the new cars. The drop doors are to be provided with operating gear of a special design. The total capacity of each of the new cars is 2,700 cubic feet, providing for a load of 10,000 pounds.

WOULD IMPROVE LIVE STOCK

Sections of Country Where Conditions Are Unfavorable.

Western Man Thinks South Should Study Problem of Raising Better Stock.

"There is no more important subject affecting the material welfare of this nation than the improvement of the live stock and poultry of large areas of our country," said R. R. Shiel, of Indianapolis.

"Not many weeks ago I traveled through portions of Kentucky, Eastern and Middle Tennessee, North Georgia, North Alabama, Arkansas, and Southern Missouri, and I saw the same old knothole, cane-brake, and mountain cattle down there, three and four year old steers weighing only 500 to 700 pounds, that I saw during the war when I was sent out on a foraging expedition. There has been no improvement in the cattle nor in the sheep, which are still like lean, diminutive predecessors of forty-year-olds, unfit for mutton and almost worthless for wool."

"The only exception to this was in some few places in Kentucky and in certain counties of Middle Tennessee, where the farmers have much better stock than in the rest of the country. There is a great future also in the mountain belts along the rivers for all who wish to make a business of raising chickens, turkeys, and geese. An acre or so of alfalfa or milting on the sides of a mountain where farming is not feasible will provide sustenance for big broods of poultry in connection with what they will pick up in the way of beechnuts and other waste. The fact is, it doesn't take any more to feed high-grade fowls than the scrub kind."

"There is a vast difference, however, whether you have on old-fashioned turkey hen weighing seven to nine pounds dressed or a high-grade hen weighing ten to fifteen pounds; whether you have a chicken a year old weighing two and a half to three pounds dressed or one weighing five to seven pounds; whether you have a yearling steer or a two-year-old weighing 400 to 600 pounds alive or one of 800 to 1,200 weight; whether you have a hog at two years of age of 250 pounds or one of the same size when but six months old. These are some of the points that the Country Life Commission appointed by President Roosevelt can take up and investigate."

"It is a vital matter. The meat question is always interesting, and I can tell you right now that meat as we buy it today is one of the greatest frauds extant. There is not 5 per cent of the cattle that is anywhere near first grade and scarcely 15 per cent that would be scientifically listed as second grade. What the public is getting—and I know from long experience in the business—is medium and low grade meats. This is how the beef combine makes its big profits. It pays no more for the cheap stuff than it did years ago, but the consumers are forced to pay the tariff that first-class meat alive should bring."

WOULD MARK FREIGHT RIGHT.

Chicago Association of Commerce Starts Campaign of Education.

Acting upon the suggestion of the railroads, the Chicago Association of Commerce will try to educate its members in the proper way to pack and mark freight.

From a willingness to oblige shippers, the railroads seem unable to bring themselves to the point of refusing to accept freight which is not properly packed and marked, and this fact results in many unjust and exorbitant claims against them. Accordingly both the railroads and the shippers have decided that the best thing to do is to educate the shippers in the direction of care in packing and marking of freight.

The pith of the problem was put by H. C. Barlow, traffic director of the association in this way: "It is not the amount of an unjust claim which makes so much difference as it is the consequence of its presentation and prosecution. Since claims always stir up bad blood which pervades and affects every transaction between that particular railroad and the shipper asking the claim."

PROOF IN BANK CLEARINGS

One May Read Better Times in the Weekly Statements.

Financial Institutions Are Handling Great Volume of Money and Credits.

One of the surprising things of the business situation is the continued satisfactory showing of bank clearings, despite complaints that trade is not up to expectations.

For weeks bank clearings have averaged well above those of the corresponding period a year ago, returns to-day being especially significant, in that they show an increase of \$1,388,000. The heavy exchanges in February were explained in part by the rush to pay taxes, but since then payments on this account have not been excessive. Transactions in the stock market have been only moderate in volume, and there have been no known special transactions to swell clearings.

The question then naturally becomes pertinent what is responsible for the more satisfactory clearing-house returns? Many good judges of the situation say that the volume of business has been underestimated, and that in their opinion trade movement is better than reports would seem to indicate, although not up to the record at the early part of 1907. True business was a low-water mark a year ago, but the fact that it is going ahead, even at a slow rate, is encouraging, and it is believed to foreshadow decidedly better times when some of the factors that are now disturbing trade are removed.

Of these the tariff and the steel war are probably the most serious. When the former is settled by Congressional action, it is felt that the latter will quickly adjust itself.

Some people are so imbued with the importance and uncertainty of tariff legislation that they are inclined to hold aloof from enterprise until this feature of the situation has become clearer. Reports of heavy tariff reductions in this or that commodity only tend to increase the doubt. Existing, underneath all this, however, is a well-defined belief that the industrial talent of the country will be heard from before any tariff measure absolutely becomes law. Moreover, it is thought probable that labor may make itself heard in support of such duties as will prevent any material cut in wages.

In some quarters the idea prevails that the situation will begin to clear the moment the House tariff schedule is made public next week. It is claimed that from that moment the tariff position will improve.

May Rival Hongkong.

Feng Yuhsein in Kwantung has been suggested by a Chinese official as forming a likely locality for a trade rival to Hongkong. It has good sheltered river frontage, and it occurred to him that if a railway between it and Canton was constructed great advantages would accrue.

He found the matter with the viceroy at Liangkwan, which province would have to find the money for the railway.

Wants Cheap Cane Syrup.

An American import and export house writes to the bureau of manufactures that it has inquiries from Sweden for cheap cane syrup; also foreign inquiries for Manila twine, and it would like to enter into correspondence with firms in the United States in a position to supply these articles.

MAY RENEW LEASES.

Norfolk and Portsmouth Traction Company Would Retain Ferries.

The Norfolk and Portsmouth Traction Company's lease on the ferries between Norfolk, Portsmouth, and Berkeley, Va., expires in April, but it is believed that it will again be able to lease the property, which is a valuable asset. The ferries belong to Portsmouth city and Norfolk County jointly. They lease now for \$61,500 per annum.

Owing to \$25,000 added to operating expenses and the need of new boats that must be bought, the lease price can hardly go above the present annual lease. The Norfolk and Portsmouth Traction Company, owned largely in Baltimore and Philadelphia, operates all the electrical trolley and lighting systems of Norfolk, Portsmouth, Berkeley, and the surrounding country.

John A. McAfee, of Philadelphia, its president, for the past year; R. Lancaster Williams, of Baltimore, its chairman of the board, and E. C. Hathaway, its general manager, have built up the property.

TIES MUST BE WOOD

Railroads Fail to Find Any Practical Substitute.

MUST SOON PLANT THE TREES

Railway World Says Cost of Oak Will Surely Drive Corporations to Necessity of Growing Their Supplies—Relation of Demand to Diminishing Timber Supply.

Yankee invention has not yet found a substitute which has induced the railroads to give up wood, although experts say that the day will surely come when the country's forests will no longer be called upon to supply the demand for ties. Up to the present time it seems that no other material has been found which has the resiliency of wood and which at the same time causes less wear and tear on the rails, fastenings, and roadbed, says the Railway World.

The country's railroads during the last two or three years used 110,000,000 to 150,000,000 of sawed and hewn ties a year. The ideal tie is white oak, which combines the qualities of durability, hardness, strength, and close grain. It is not only excellent for ties, but is widely used in ship building, for general construction, in coopers, in the manufacture of carriages, for agricultural implements, interior finish of houses, and for furniture.

On account of this wide use, the supply has been greatly reduced and some of the railroads have been forced to pay almost prohibitive prices for ties, or to substitute other and cheaper woods to replace the white oak ties rapidly disappearing from their piles.

Forty Per Cent Are Oak.

Over 40 per cent of the ties recently purchased by the railroads of the country are oak, according to latest statistics of the United States Forest Service. Cross-ties of Southern pine formed somewhat less than 35 per cent. Douglas fir ties ranked third, with approximately 10 per cent of the total. Naturally the proportion of these two timbers will increase as the supply of oak dwindles. This is also true of cedar, chestnut, cypress, Western pine, tamarack, hemlock, and other trees which are coming into the market as the timbers.

Cedar, which is very durable, has been extensively used to take the place of white oak, but it is so soft that it is readily cut by the rails. This necessitates the use of the pins and other protective devices when cedar ties are used. As the supply of cedar is also running short, it is necessary for the railroads to seek further for new tie timber. One of the woods which has all the requisites of a good tie, with the exception of durability, is the beech.

A beech tie generally consists largely of sapwood, which partly accounts for its lack of durability. On the other hand, allows a thorough and easy preservative treatment. In Germany and France, beech ties have been successfully preserved from decay, and are used very extensively.

Beech Widely Distributed.

Beech is found widely distributed throughout the Eastern part of the United States, and at the present time is comparatively cheap and abundant. If, therefore, the railroads whose lines are located in the regions where beech is abundant can make use of this wood, treated with some suitable preservative, another source of supply of tie timber will be opened up.

Stumpage values have been increasing so rapidly during the last few years that many railroads have found it necessary to modify their timber policy, and they yearly apply preservatives to a greater number of ties and to more kinds of wood. Substituting woods naturally vary with different sections of the country, but in most cases they lack the two essential qualities found in white oak, namely, resistance to mechanical wear and to decay.

Experience proves that wear can be successfully retarded by the use of the plates and other mechanical devices, and decay can be postponed by the application of proper preservatives. The new conditions have made it necessary for many railroads companies to meet the problem of preservation by establishing treating plants at central points of distribution along their lines, such as the plant to be erected by the Pennsylvania Railroad at Mount Union, Pa.

Market for Chemical Products.

An American consul in a city of Northern Europe reports that a prominent importer in his district desires to be placed in touch with firms in the United States manufacturing gray and brown acetate of lime and wood alcohol.

For these articles he desires the exclusive agency for the continent, as he is in a position to handle these articles in large quantities. He also wants to communicate with manufacturers of borax for chemical and tanning purposes, as well as borate of lime.

China Starts New Department.

It has been decided by the members of the grand council of China to establish a special department which will be charged with the control of the mercantile marine of the country. It is probable that the new department will be put under the superintendence of the ministry of war.

CANALS WOULD AID RAILROAD TRAFFIC

Would Move Heavy Goods at Lower Rate.

COST MUCH TO CONSTRUCT

Should Be Done by Nation Apart from Politics or Local Interests. Railway President Does Not Expect to See Rapid Development of Such Waterways as Are Needed.

John F. Stevens, president of the New York, New Haven and Hartford Railroad, does not take an optimistic view of the development of waterways as a means of general inland navigation. He holds to the view that the cost is so great as to make the task impracticable, if not impossible.

In an address delivered before the Atlantic Deep Waterways Association, he points out that the work is at once removed from the domain of State or municipal effort and must be undertaken by the national government, to be accomplished at all.

Owing to this fact he does not expect in the future to see and marked development of waterways beyond the improvement of a few natural rivers and the construction of some miles of canal here and there. If the general canalization of rivers and the opening of such streams by cross-country canals could be brought about, Mr. Stevens believes it would benefit the railroads more than anybody else, and his belief in the accomplishment of the work is not based upon any alarm incident to his position as a railway manager.

Why Canals Faded Away.

Following is a part of Mr. Stevens' address.

"The reason for decadence of canal and natural waterway traffic is not hard to understand. As population and wealth increased, so did the aggregate wants and the complexity of the needs of the people multiply. The introduction of the telegraph, by bringing business and social relations so much closer in thought, made it necessary to shorten the bridge that spanned the gap of actual contact. In other words, as life began to be lived faster and faster, quicker and more frequent transportation business became an imperative demand, which neither canal nor natural waterways could satisfy, and so railways supplanted them, until now, with a few notable exceptions, the former exist only as memories."

"But the gigantic strides our internal commerce has made, has demonstrated that while railways serve a purpose which waterways can never do, they need to be supplemented by a cheaper, if a slower carrier. There are immense volumes of low-grade traffic, which, to be moved at all, require very low rates. Such traffic is now being handled by the railways, to the detriment of their other and faster-moving business, resulting in a loss to themselves and to the public."

Railroads Do Not Oppose.

"There seems to be a general impression that the railroads are opposed to the exploitation and construction of canals. That there is good ground for such opinion, the writer does not believe. The consensus of opinion among our ablest, most far-sighted railway owners and executives is, undoubtedly, that canals, properly planned, constructed, and operated, will not only aid the development of the country, but will create new business, and from other and potent causes, be of assistance and value to the railways. There is no doubt, however, that they will take from the railways some part of a certain class of traffic, but such loss will be recovered by the fact that the railways will be enabled to better and more economically handle the highest priced traffic, which the waterways can never satisfactorily do, and so the net result will be for their benefit."

"So it will be that the railroads, by collaborating with the waterways, natural and artificial, and by establishing coordinate relations with them, will solve the great transportation problem which presents itself, and which must be settled, and which will better serve the needs of commercial progress is not only stopped, but set back."

Should Move Slowly.

"Admitting the above as a general principle does not imply that the construction of canals and the improvement of rivers should at once be entered into indiscriminately and without consideration, with the idea that we cannot have too much of a good thing. The handling of transportation is yearly getting to be more and more of an exact science, and nowhere is it more true that certain canals are bound to produce certain results."

"The old days when, to some extent, railways were built for sale, and not because there was a legitimate demand for them, have passed away. It is certain that if to-day there were no railways in existence, a system could be planned which would better serve the needs, at a lower cost, with many thousands less miles. So it will be with waterways, unless we take heed of the past, and go carefully and judiciously about their location and construction. How shall this be done, and what are the mistakes which we must avoid?"

"It is very improbable that private capital can be found to finance, excepting possibly, a few unimportant instances—such systems of canals as the public needs may find necessary; and if the demand—which is already insistent—that the national government take up the matter, is granted, then it clearly devolves upon the national authorities to see to it that such systems are so planned, and the work is so executed, that the greatest good will be done to the greatest number. And such work will naturally divide itself into three classes: The improvement of harbor facilities, the enlargement and control of rivers, and the creation of new, and the rebuilding upon more generous lines, of existing can